

CURRENT REPORT

as per the CNVM Regulation No. 1/2006 regarding the issuers and securities operations, art. 113 A,
paragraph c

Date of the report: 07.12.2016

Name of the issuing entity: IAR S.A. Company

Social headquarters: 1, Aeroportului Street, Ghimbav, county of Brasov

Telephone / Fax number: 0268475108/0268476981

Sole Registration Code with the Trade Registry Office: 1132930

Order Number with the Trade Registry: J08/IV/1991

Social capital registered and deposited: 47.197.132,50 lei

The regulated market onto which transactions of issued securities are traded: The Stock Exchange Bucharest, Capital titles sector – Shares Standard Category

I. Important events to be reported: OGMS 07-08.12.2016

The Ordinary General Meeting of the Shareholders took place on 07.12.2016, the date of the first call. The meeting was attended by shareholders/representatives of the shareholders holding 12.263.166 shares of the Company IAR SA, representing 64,9572 % of the total number of company shares. Meantime, one of the IAR's shareholders, holding 863.212 shares, representing 4,5724 % of the total number of company shares, sent his vote by correspondence.

The meeting agenda was:

1. **Approval of the establishment of a real right of superficies, in favour of the Romanian Air Club, the Utilitarian Aviation and the Ghimbav-Brasov County Weather Station over a land surface of approximately 6,550 square meters and the establishment of a right of easement to allow access to this land**
2. **Approval of sale, through open call auction, of assets whose capitalization has been approved by the GSM Resolution no. 04/12.07.2016**
3. **Approval of the date 30.12.2016 as registration and identification date of shareholders who are affected by the decisions of the Ordinary General Meeting of Shareholders dated on 07.12.2016/08.12.2016 and of the date 29.12.2016 as ex-date, under the provisions of Law no 297/2004 on the capital market**

The decisions taken by vote after analyzing the presented documents are the following:

1. **Approval of the establishment of a real right of superficies, in favor of the Romanian Air Club, the Utilitarian Aviation and the Meteorological County Station Ghimbav-Brasov over a land surface of approximately 6,550 square meters and the establishment of a right of easement to allow access to this land**

1.1. It is not approved to make available for the Romanian Air Club RA, for Utilitarian Aviation S.A. and for the Meteorological County Station Ghimbav-Brasov on a superficies agreement basis, the land on which the building in which the three entities operate is built, in total surface of about 3,800 sm, land which shall be dismembered from LR 100864, topographical no. 1317/2/2, 1318/2 and 1319/2.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	13.126.378		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.678	12.250.488	0
Shareholders who sent their vote by correspondence / registered post	863.212	0	0
SUBTOTAL	875.890	12.250.488	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0672	64,89	0
Shareholders who sent their vote by correspondence / registered post		4,5724	0	0
	SUBTOTAL	4,6395	64,89	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0966	93,3272	0
Shareholders who sent their vote by correspondence / registered post		6,5762	0	0
	SUBTOTAL	6,6728	93,3272	0

1.2. It is not approved to make available for the Romanian Air Club RA, on a superficies agreement basis, the land on which the hangar in which it currently operates is built, in total surface of about 2,750 sm, land which shall be dismembered from LR 100864, topographical no. 1317/2/2, 1318/2 and 1319/2.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	13.126.378		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.678	12.250.488	0
Shareholders who sent their vote by correspondence / registered post		863.212	0	0
	SUBTOTAL	875.890	12.250.488	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0672	64,89	0
Shareholders who sent their vote by correspondence / registered post		4,5724	0	0
	SUBTOTAL	4,6395	64,89	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0966	93,3272	0
Shareholders who sent their vote by correspondence / registered post		6,5762	0	0
	SUBTOTAL	6,6728	93,3272	0

1.3. It is not approved the establishment of an easement right allowing access to the land over which the aforementioned real superficies right is referred.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	13.126.378		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.678	12.250.488	0
Shareholders who sent their vote by correspondence / registered post	863.212	0	0
SUBTOTAL	875.890	12.250.488	0

representing the following **percentages of the total number of shares of the company**

TOTAL:	69,5295	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	0,0672	64,89	0
Shareholders who sent their vote by correspondence / registered post	4,5724	0	0
SUBTOTAL	4,6395	64,89	0

representing the following **percentages of the total number of shares represented-OGMS 07.12.2016**

TOTAL:	100	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	0,0966	93,3272	0
Shareholders who sent their vote by correspondence / registered post	6,5762	0	0
SUBTOTAL	6,6728	93,3272	0

1.4. To don't give a mandate to the executive management of IAR S.A. to negotiate the aforementioned superficies agreements, under the following conditions:

- agreements' durations: while the buildings in which the three entities operate exist, but not more than 99 years
- the price will be at least equal to that determined by the assessment report issued by an authorized company
- the agreements cannot be novated to a third party, except with the express, prior written consent of IAR S.A..
- the payment by the Romanian Air Club RA, Utilitarian Aviation S.A. and the Meteorological County Station Ghimbav-Braşov of annual taxes owed for the land and buildings to the local budget.

The agreements will take effect only after removing the targeted land from the inventory of the defense capabilities of IAR S.A., according to OUG 95/2002 as amended and supplemented.

The vote was expressed as follows:

<u>the total number of the expressed votes:</u>	13.126.378		
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	12.678	12.250.488	0
Shareholders who sent their vote by correspondence / registered post	863.212	0	0
SUBTOTAL	875.890	12.250.488	0

representing the following **percentages of the total number of shares of the company**

TOTAL:	69,5295	%	
out of which:	FOR	AGAINST	ABSTENTION
Shareholders present and/or represented	0,0672	64,89	0
Shareholders who sent their vote by correspondence / registered post	4,5724	0	0
SUBTOTAL	4,6395	64,89	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	0,0966	93,3272		0
Shareholders who sent their vote by correspondence / registered post	6,5762	0		0
	SUBTOTAL	6,6728	93,3272	0

Taking into the consideration the votes expressed at the previous points, there is no reason to give a mandate to the executive management of IAR S.A. to negotiate the aforementioned superficies agreements.

2. Approval of sale, through open call auction, of assets whose capitalization has been approved by the GSM Resolution no. 04/12.07.2016

2.1. It is not approved the sale by open outcry auction, of the available assets whose capitalization was approved by GSM Decision No. 04/12.07.2016.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	13.126.378		
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	12.678	12.250.488		0
Shareholders who sent their vote by correspondence / registered post	863.212	0		0
	SUBTOTAL	875.890	12.250.488	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%	
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	0,0672	64,89		0
Shareholders who sent their vote by correspondence / registered post	4,5724	0		0
	SUBTOTAL	4,6395	64,89	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	0,0966	93,3272		0
Shareholders who sent their vote by correspondence / registered post	6,5762	0		0
	SUBTOTAL	6,6728	93,3272	0

2.2. It is not approved that any sale of assets to be carried with the strict compliance of the specific legal provisions in force, under the following conditions:

- the targeted assets will be sold only after removing them from the inventory of the defence industry,
- the offer price (the price for the auction) will be determined based on the assessment of assets made by an authorized assessor,
- the conditions for organizing and conducting the open outcry auction will be established under the law, by the auction commission which will be appointed for this purpose.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	13.126.378		
out of which:	FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented	12.678	12.250.488		0
Shareholders who sent their vote by correspondence / registered post	863.212	0		0
	SUBTOTAL	875.890	12.250.488	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0672	64,89	0
Shareholders who sent their vote by correspondence / registered post		4,5724	0	0
	SUBTOTAL	4,6395	64,89	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		0,0966	93,3272	0
Shareholders who sent their vote by correspondence / registered post		6,5762	0	0
	SUBTOTAL	6,6728	93,3272	0

Taking into the consideration de negative vote expressed at the point 2.1, there is no reason to approve the terms for the sales of available assets.

3. Approval of the date 30.12.2016 as registration and identification date of shareholders who are affected by the decisions of the Ordinary General Meeting of Shareholders dated on 07.12.2016/08.12.2016 and of the date 29.12.2016 as ex-date, under the provisions of Law no 297/2004 on the capital market

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	13.126.378		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.263.166	0	0
Shareholders who sent their vote by correspondence / registered post		863.212	0	0
	SUBTOTAL	13.126.378	0	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		64,9571	0	0
Shareholders who sent their vote by correspondence / registered post		4,5724	0	0
	SUBTOTAL	69,5295	0	0

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%	
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		93,4238	0	0
Shareholders who sent their vote by correspondence / registered post		6,5762	0	0
	SUBTOTAL	100	0	0

4. Empowering the Board of Directors of IAR S.A. and the executive management to implements the provisions of OGMS decisions and to fulfill the legal requirements regarding their publication.

The vote was expressed as follows:

	<u>the total number of the expressed votes:</u>	13.126.378		
out of which:		FOR	AGAINST	ABSTENTION
Shareholders present and/or represented		12.263.166	0	0
Shareholders who sent their vote by correspondence / registered post		863.212	0	0
	SUBTOTAL	13.126.378	0	0

representing the following percentages of the total number of shares of the company

	TOTAL:	69,5295	%		
out of which:		FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented		64,9571	0	0	
Shareholders who sent their vote by correspondence / registered post		4,5724	0	0	
	SUBTOTAL	69,5295	0	0	

representing the following percentages of the total number of shares represented-OGMS 07.12.2016

	TOTAL:	100	%		
out of which:		FOR	AGAINST	ABSTENTION	
Shareholders present and/or represented		93,4238	0	0	
Shareholders who sent their vote by correspondence / registered post		6,5762	0	0	
	SUBTOTAL	100	0	0	

In accordance with the provisions of Law no. 297/2004 and the NCTS Regulation No. 1/2006, IAR SA brings to the attention of all those interested that in strict application of the legal provisions and of the procedure in force for issuing the operational Mandating Orders of the representatives of the Ministry of Economy, Trade and Relations with the Business Environment in the Ordinary General Meeting of the Shareholders of 07 / 12.08.2016, the vote AGAINST of the majority shareholder at entries 1 and 2 of the agenda relies on the need to complete, under the law, the documentation made available to the shareholders by the Board of Directors and the Executive management of the company, leading to a sustained vote and observing the principle of transparency and equal treatment of all the company shareholders.

Taking into the consideration the votes expressed, it was adopted the OGMS resolutions no. 06/07.12.2016 and 07/07.12.2016, attached to this current report.

This current report is available and can be accessed at the address [www.iar.ro/Shareholdings/Rapoarte curente, insotite de anexe specifice/2016/07.12.2016 - Raport Curent 07-08.12.2016 / Current Report OGSM 07-08.12.2016](http://www.iar.ro/Shareholdings/Rapoarte_curente_inso_tite_de_anexe_specifice/2016/07.12.2016_-_Raport_Curent_07-08.12.2016_-_Current_Report_OGSM_07-08.12.2016)

Ion Rareş POPESCU

CHAIRMAN OF THE BOARD

Ion DUMITRESCU

GENERAL DIRECTOR

IAR S.A.

Headquarters: Ghimbav, no.1, Aeroportului Str., Braşov County

Trade Reg. No.: J/08/4/1991, U.R.C: RO 1132930

DECISION No. 06 /07.12.2016

Taking into consideration the letters received by IAR S.A. from the Romanian Air Club, Utilitarian Aviation and the Meteorological County Station Ghimbav-Brasov, by which the three entities request:

- *the constitution of real superficies rights by IAR S.A. on a land plot of about 6,550 sqm, on which the construction owned by the Romanian Air Club, the Utilitarian Aviation and the Meteorological County Station Ghimbav–Braşov and the hangar where the Romanian Air Club is currently operating exist,*
- *the establishment of a right of easement to allow access to this land.*

Considering the provisions of Article 693 of the Civil Code regarding the establishment of the superficies right, Seeing the opinion given by the Board of Directors of IAR S.A. through Decision no. 21CA/10.21.2016 for granting such requests of real superficies rights,

After analyzing the materials presented by the Board of Directors of IAR S.A. during the IAR S.A. Ordinary General Shareholders Meeting dated 07.12.2016,

Pursuant to Art. 111 of Law no. 31/1990, republished, with subsequent amendments and additions and the Constitutive Act of S.C. IAR S.A.,

The IAR S.A. Ordinary General Shareholders Meeting, convened in accordance with Law no. 31/1990 republished, as amended and supplemented to date, of Law no. 297/2004, of NCTS Regulation no. 1/2006 regarding the issuers and the securities operations, the NCTS Regulation no. 6/2009 on the exercise of certain rights of shareholders in general assemblies of companies and the Constitutive Act of IAR S.A. and legally constituted on 07.12.2016, 11:00, at the company's headquarters, according to the participation of shareholders/representatives of shareholders with 69,5295% of the total shares of the company,

DECIDES:

Art. 1. *It is not approved to make available for the Romanian Air Club RA, for Utilitarian Aviation S.A. and for the Meteorological County Station Ghimbav-Braşov on a superficies agreement basis, the land on which the building in which the three entities operate is built, in total surface of about 3,800 sm, land which shall be dismembered from LR 100864, topographical no. 1317/2/2, 1318/2 and 1319/2.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 4,6395% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 64,89% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 2. *It is not approved to make available for the Romanian Air Club RA, on a superficies agreement basis, the land on which the hangar in which it currently operates is built in total surface of about 2,750 sm, land which shall be dismembered from LR 100864, topographical no. 1317/2/2, 1318/2 and 1319/2.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 4,6395% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 64,89% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 3. *The 30.12.2016 is approved as registration date, respectively identification of shareholders who are affected by the decisions of the general ordinary meeting of shareholders dated 07/08.12.2016 and the date of 29.12.2016 as ex-date, in accordance to the provisions of Law no 297/2004 concerning the capital market.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 69,5295% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 4. *The Board of Directors of IAR S.A. and the executive management of the company is entrusted with carrying out the provisions of this decision and to fulfill the legal requirements regarding its publication.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 69,5295% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Given at IAR S.A.'s headquarters this day, 07.12.2016.

Ion Rareş POPESCU

CHAIRMAN OF THE BOARD OF DIRECTORS

Aurelia SUMEDREA

G.S.M. SECRETARY

IAR S.A.

Headquarters: Ghimbav, no.1, Aeroportului Str., Braşov County

Registration no. in the Trade Register: J/08/4/1991

Decision No. 07 /07.12.2016

Given that IAR S.A.'s administrative and executive management proposals on the sale by open outcry auction of the available assets for which the capitalization was approved by GSM Decision No. 04/12.07.2016,

Seeing the endorsement given by the Board of Directors of IAR S.A. through Decision no. 25CA/21.10.2016 regarding the approval of the sale by open outcry auction of the those assets,

Considering the provisions of Law no. 31/1990 republished, as amended and supplemented to date, of Law no. 297/2004, of NCTS Regulation no.1/2006 and of Regulation 6/2009 on issuers and securities operations and the Constitutive Act of IAR S.A.,

The IAR S.A. Ordinary General Shareholders Meeting, convened in accordance with Law no. 31/1990 republished, as amended and supplemented to date, of Law no. 297/2004, of NCTS Regulation no. 1/2006 regarding the issuers and the securities operations, the NCTS Regulation no. 6/2009 on the exercise of certain rights of shareholders in general meetings of companies and the Constitutive Act of IAR S.A. and legally constituted on 07.12.2016, 11:00, at the company's headquarters, according to the participation of shareholders/representatives of shareholders with 69,5295% of the total shares of the company

DECIDES:

Art. 1 *It is not approved the sale by open outcry auction, of the available assets whose capitalization was approved by GSM Decision No. 04/12.07.2016.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 4,6395% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 64,89% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Art. 2. *The company's general manager is entrusted with carrying out the provisions of this decision and with the publicity formalities required by law, the Constitutive Act and the FSA/NCTS regulations.*

The decision was made under vote "pro" expressed by the shareholders/representatives of shareholders with 69,5295% of the total shares of the company, vote "against" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company and the "abstention" expressed by the shareholders/representatives of shareholders with 0% of the total shares of the company.

Given at IAR S.A.s headquarters this day, 07.12.2016.

Ion Rareş POPESCU

CHAIRMAN OF THE BOARD OF DIRECTORS

Aurelia SUMEDREA

G.S.M. SECRETARY